
FINANCIAL SERVICES REPUBLICAN MORNING CLIPS 9.30.2009

Wall Street Journal: "CIT in Last-Ditch Rescue Bid ... The fate of CIT Group Inc. was hanging in the balance Tuesday as the large commercial lender readied a plan that would likely hand control of the company to its bondholders."

Wall Street Journal: "Bank-Bailout Fund Faces Years in Red as Failures Jolt System ... The government said the fund that protects consumer bank deposits has fallen into the red and will remain there into 2012, a pointed symbol of how the aftershocks of the financial crisis will reverberate for years as banks continue to fail at a high rate."

Wall Street Journal: "Plenty More Bank Losses Expected Globally ... Rising global securities prices reduced the International Monetary Fund's estimate of bank losses, but banks around the world -- especially in Europe -- still are likely to face additional write-downs of \$1.5 trillion by the end of next year, the IMF said."

The Washington Post: "FDIC Seeks Fees to Shore Up Reserve ... With banks failing faster than the government expected a few months ago, the federal agency that insures deposits on Tuesday called for a \$45 billion cash infusion from the banking industry, seeking to raise additional funds needed to continue protecting deposits."

The Washington Post: "More Help Coming To Clean Up Crisis ... The Obama administration is close to rolling out two initiatives aimed at addressing lingering problems from the financial crisis: A long-delayed effort to cleanse financial firms of their toxic assets, and a \$35 billion plan to prop up state programs that help lower-income borrowers get affordable mortgages."

The Washington Post: "It's Crunch Time: The Fight to Fix the Financial System Comes Down to This ... The next couple of months will be crucial in determining the shape of the financial system for decades to come. And so far, the signs are not encouraging."

NY Times: "Banks to Prepay Assessments to Rescue F.D.I.C. ... Acknowledging that they had greatly underestimated the problems plaguing the nation's banks, federal officials on Tuesday proposed a \$45 billion plan financed by the industry to rescue the ailing insurance fund that protects bank depositors."

NY Times: "I.M.F. Calls for Overhaul of Financial System ... The International Monetary Fund said Wednesday that "the global economy has turned a corner" after the harrowing start to 2009 but that only a thorough restructuring of the financial system could prevent a return to crisis and pave the way for solid growth within the next 18 months."

NY Times: "Fed Proposes Rules on Credit Cards ... The Federal Reserve proposed tough credit card rules on Tuesday to protect consumers from potentially costly practices by lenders, and moved to put in place legislation enacted in May."

NY Times: "Signs of Life in Financial Reform ... Financial regulatory reform, which seemed to be lagging one year after the collapse of Lehman Brothers, has gotten a new boost of energy. Unfortunately, Americans still cannot be sure it will produce real reform."

NY Times: "CIT Nears a Restructuring Plan ... The CIT Group, the troubled lender, is in talks with its creditors over a restructuring plan that would significantly pare down its debt load, people briefed on the talks told DealBook Tuesday night."

LA Times: "FDIC seeks \$45-billion advance from banks to rebuild reserves ... Despite signs of economic improvement, banks continue to fail at a brisk pace, forcing regulators to scramble to keep the industry-financed deposit insurance fund from running out of cash."

USA Today: "Despite recession, banks charge record checking fees ... Despite the recession, banks are charging consumers record fees for checking account services."

USA Today: "Fed proposes its credit card rules to protect consumers ... The Federal Reserve proposed rules Tuesday to better protect Americans from sudden hikes in interest rates on credit cards."

USA Today: "SEC proposes changes to prevent another Madoff ... The Securities and Exchange Commission's internal watchdog on Tuesday recommended more than 50 steps to strengthen the agency's enforcement and compliance divisions and prevent a repeat of the failures that let Bernard Madoff's Ponzi scam continue operating for years."

USA Today: "FDIC asks banks to cover an expected \$100B in losses ... U.S. bank regulators, expecting bank failures to cost \$100 billion through 2013, said Tuesday that they plan to make banks prepay three years worth of deposit insurance premiums in an attempt to salvage the fund that insures bank deposits."

USA Today: "FDIC wants banks to pay fees upfront ... Federal regulators, expecting bank failures to cost \$100 billion through 2013, on Tuesday said they planned to make banks prepay three years of fees to protect depositors."

USA Today: "Our view on bank fees: Abusive overdraft charges target vulnerable customers ... There's one simple way to avoid the onerous bank overdraft charges that have people howling and Washington - finally - reacting: Don't spend more than you have in your account."

USA Today: "Opposing view: 'Fees are easy to avoid' ... Banks agree customers should be given the choice to accept or decline overdraft protection services."

The Washington Times: "Fed proposes rules to implement credit card law ... The U.S. Federal Reserve proposed rules Tuesday that will end banks' ability to apply credit-card payments to balances with the lowest interest rates first, implementing legislation Congress passed in May."

The Washington Times: "FDIC says bank failures to cost \$100 billion ... Regulators expect the cost of bank failures to grow to about \$100 billion over the next four years - up from an earlier estimate of \$70 billion. Faced with that sobering news, they voted Tuesday to require banks to prepay \$45 billion in premiums to replenish an insurance fund that will start running dry Wednesday."

Reuters: "Mortgage demand falls despite lower rates ... U.S. mortgage applications fell last week despite the lowest loan rates in four months, the Mortgage Bankers Association said on Wednesday, in another sign that housing will likely recover slowly from its three-year plunge."

Bloomberg: "CIT Said to Weigh Financing From Citigroup, Barclays (Update1) ... CIT Group Inc., the commercial lender that has said it may be forced to file for bankruptcy, is considering an offer of financing from Citigroup Inc. and Barclays Capital, people familiar with the situation said."

Bloomberg: "Major U.S. Banks' FDIC Premiums May Top \$10 Billion (Update1) ... The Federal Deposit Insurance Corp.'s plan to rebuild its reserves may cost Bank of America Corp. and three of the largest U.S. banks more than \$10 billion."

Real Clear Markets: "Mortgage Deadbeats Plague Home Market ... Benjamin Franklin observed that lending money to a man of good character could pay dividends for society if the borrower found success in life, because then he was more apt to help others the way Franklin had helped him, thus creating a virtuous chain of future lending."

Investor's Business Daily: "Blocking The 'Next Generation' Of Banks ... For the last two weeks, much of Wall Street - and even President Obama - looked back and assessed how the financial world is different today than it was a year ago."

Roll Call: "Prospects Look Bright for Financial Reform ... After weathering the worst financial crisis since the Great Depression, getting a financial regulatory overhaul done should be as close to a slam dunk for Democrats as anything else on their agenda this year - and they sure could use a victory."

Politico: "Geithner: Proposal is a 'revolution' ... Treasury Secretary Timothy Geithner on Tuesday highlighted one area of the Obama administration's keynote proposals in the regulatory reform debate, arguing that the planned overhaul of the derivatives market is the kind of sweeping change that will help prevent another market meltdown."

The Hill: "House, Senate ready Iran sanctions ... Lawmakers are readying tough new sanctions against Iran in the wake of its recent disclosure of a second secret nuclear facility."

The Hill: "Geithner says the Federal government needs more power to prevent bailouts ... The Obama administration is taking steps to defend its financial reform plan against critics who are arguing that it enshrines a long-term role for Washington to bail out Wall Street."